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SUPPLEMENT TO LMS-203

LIVESTOCK AND MEAT Situation

PERMANENT SECTION
CURRENT SERIAL RECORDS



LIVESTOCK AND MEAT SITUATION

Hog Inventory Continues Down

The mid-year inventory of hogs and pigs suggests pork supplies will remain short and prices high for the remainder of 1975. Hog producers also indicated plans to continue reductions in farrowings for the fall pig crop which will supply first half 1976 slaughter hogs.

Sows farrowing, pig crops, and pigs per litter, United States

Year	Sows farrowing	Change pre-vious year	Pig crop	Change pre-vious year	Pigs per litter	Change Pre-vious year
	1,000 head	Percent	1,000 head	Percent	Num-ber	Percent
1971						
Dec.-May ..	7,303	+2	52,513	+0.4	7.19	-2
June-Nov. . .	6,297	-8	45,923	-7	7.29	+1
1972						
Dec.-May ..	6,512	-11	47,654	-9	7.32	+2
June-Nov. . .	5,967	-5	43,174	-6	7.24	-0.7
1973						
Dec.-May ..	6,459	-1	46,195	-3	7.15	-2
June-Nov. . .	5,864	-2	42,004	-3	7.16	-1
1974						
Dec.-May ..	6,372	-1	45,075	-2	7.07	-1
June-Nov. . .	5,466	-7	38,879	-7	7.11	-0.7
1975						
Dec.-May ..	4,935	-23	35,289	-22	7.15	+1
June-Nov. . .	4,730	-13	34,056	-12	7.20	+1

The June 1 inventory of hogs and pigs was reported at 48.2 million head, 19 percent fewer than a year ago. Market hog inventories were down 19 percent while breeding stock numbers were reduced by 17 percent. The sharp reduction in market hog inventories largely reflects the 22 percent cut in the December-May pig crop. The reduction in the spring pig crop is

Market hogs and pigs by weight groups, as of June 1

Weight group	1973	1974	1975	Change from 1974
	1,000 head	1,000 head	1,000 head	Percent
Under 60 lb.	24,530	23,858	18,502	-22
60-119 lb.	12,110	12,181	9,974	-18
120-179 lb.	8,189	7,835	6,909	-12
180-219 lb.	4,803	4,955	4,298	-13
220 lb. + ...	1,298	1,703	1,077	-37
Total	50,930	50,532	40,760	-19

slightly more than farrowing plans reported last March, and well below the 15 percent cut which was planned for this crop last December.

The distribution of market hogs on farms by weight groups suggests second half 1975 hog slaughter and pork production will be down more than earlier expected, especially during the October-December quarter. Judging from the 22 percent reduction in the number of market hogs on farms on June 1 weighing less than 60 pounds, normal seasonal increases in slaughter from summer to fall will be small, if any, this year. Second half pork production could be just about equally divided between the third and fourth quarter, and be down around 20-22 percent from last year. Slaughter could even be smaller this fall if feed prices were to move sharply lower and more females are withheld for breeding. Commercial pork production this year will likely be the smallest since 1965 and per capita consumption the lowest in 40 years.

Hog prices continued to move higher in June as fed cattle prices jumped and weekly hog slaughter rates dropped 18-22 percent under year-earlier levels. Barrows and gilts topped \$50 per 100 pounds in mid-June as hog slaughter fell seasonally and as fed cattle prices hit \$55 on some markets. By the end of June fed cattle prices slipped from mid-month peaks and were selling below hogs on the Omaha Market.

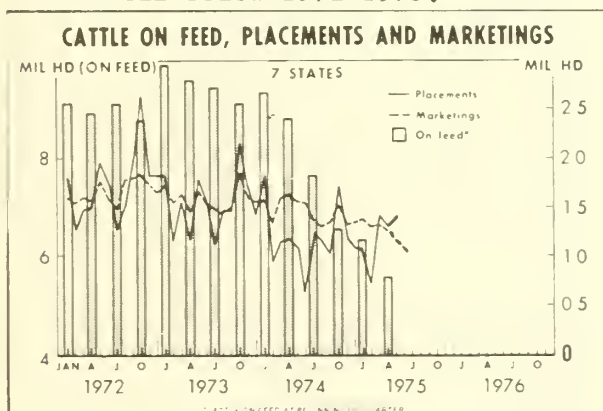
The cattle market will have a strong bearing on the level of hog prices this summer and fall, but unless fed cattle prices decline much more than now seems likely, market hogs could decline some from June peaks and average in the \$45-\$50 price range during the remainder of this year. Prices could average even higher if the fed cattle market begins to pick up again. A lower fed cattle market expected this fall could re-

strict price increases in the hog market during October-December with the seasonally small supply.

Sharply higher hog prices and favorable returns to hog feeders have still not encouraged producers to raise more hogs. However, planned reductions are more moderate than recent cutbacks. Hog farmers on June 1 indicated plans to reduce the June-November pig crop by 12 percent. These pigs will supply the bulk of first half 1976 slaughter hogs, keeping market hog prices up well into next year.

Cattle Feeding Picks Up

Movement of feeder cattle into feedlots increased from year-earlier levels again in May for the third consecutive month. Placements in the 7 reporting States were the largest so far this year and ran 20 percent above the small number placed on feed in May 1974. Recent substantial improvements in feeding margins have been largely responsible. Placements were up the sharpest in Kansas, Arizona, Colorado and Texas as feeder cattle moved off wheat pasture. Feeder cattle placements in Iowa were large in May, up 9 percent from 1974 and just over the 1970-1973 levels. Although placements for the 7 States in May were up 20 percent from the 1974 level, they were still well below 1972-1973.



Marketings of cattle from feedlots are still remaining very low, and about in line with earlier reported intentions. Fed cattle are making up less than 55 percent of total cattle slaughter this spring compared with

about 73 percent a year ago. This has been largely responsible for the widening spread between Choice grade and lower grade cattle prices this spring. In mid-June, heavyweight Choice steers at Omaha were selling near \$55 per 100 pounds, Good grade steers at \$47 and Utility cows at \$24. The mid-June spread of \$8 between Choice and Good and \$31 between Choice steers and cows compares with \$2 and \$16, respectively, last March.

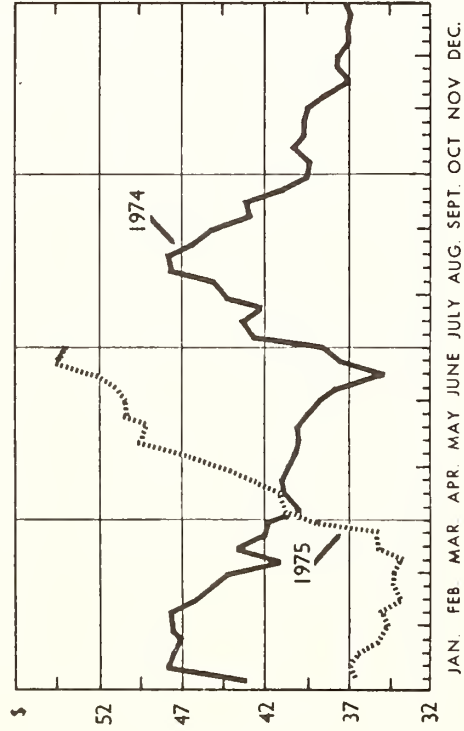
May was also the third consecutive month where the movement of feeder cattle into feedlots exceeded marketings, resulting in a small buildup of cattle on feed inventories. If this trend continues, as expected, the April 1 inventory of cattle on feed, and spring quarter fed cattle marketings may turn out to be the smallest of 1975.

Fed cattle marketings in the summer could begin to pick up slightly from the low spring level and nonfed slaughter is expected to swell as cow herds are culled later this summer and fall. If these nonfed cattle move to market in the volume expected, fed cattle prices could fall from spring levels of over \$50 to the low \$40's by year-end. Continued light average slaughter weights and small pork supplies will tend to cushion price declines. Feeder cattle prices may not weaken nearly as much as fed cattle prices if this year's feed grain crop is large. Cheaper feed later this year could support a substantial increase in placements, even if the fed cattle market declines.

Imports Decline

Imports of meat subject to the quota law (primarily beef) during April and May fell 6 percent below the year-earlier level. May imports subject to quota at 76 million pounds were at the lowest level since last October. Increases in imports from Australia and New Zealand were offset by sharp reductions in imports from all other countries. January-May meat imports subject to quota totaled 501 million pounds, 5 percent larger than 1974.

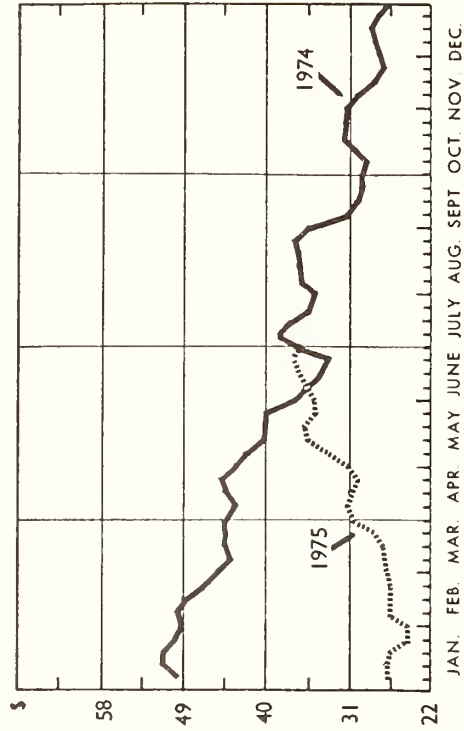
AVE. PRICE CHOICE SLAUGHTER STEERS—OMAHA 1100—1300#



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LIVESTOCK DIVISION - AMS

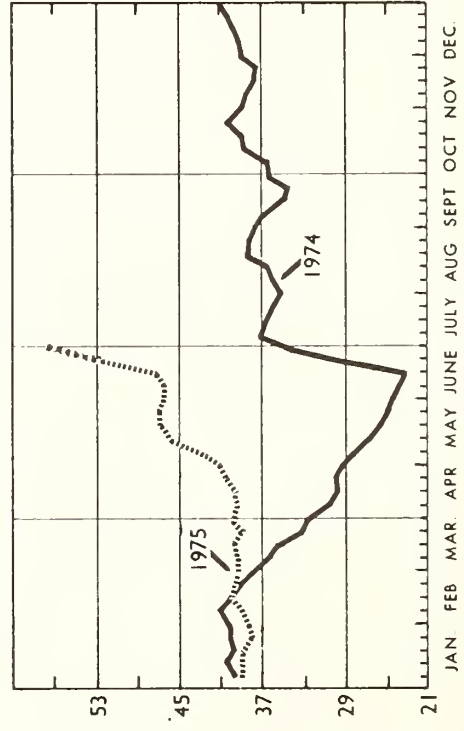
AVE. PRICE CHOICE FEEDER STEERS 600—700# — KANSAS CITY



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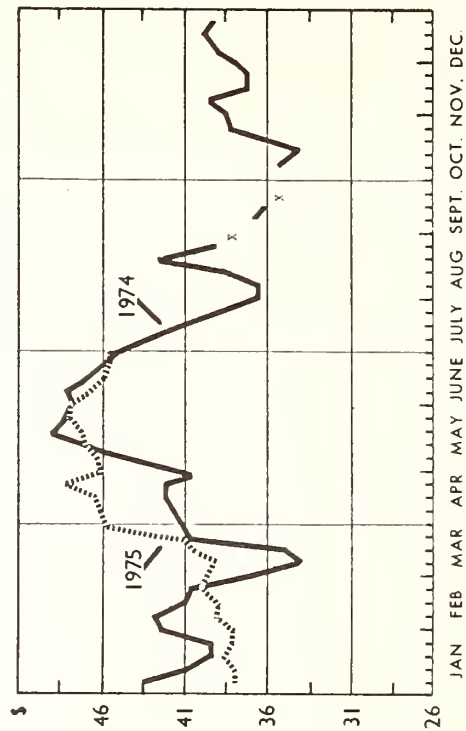
AVERAGE PRICE BARROWS & GILTS*



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AVE. PRICE CHOICE SLAUGHTER LAMBS—SAN ANGELO

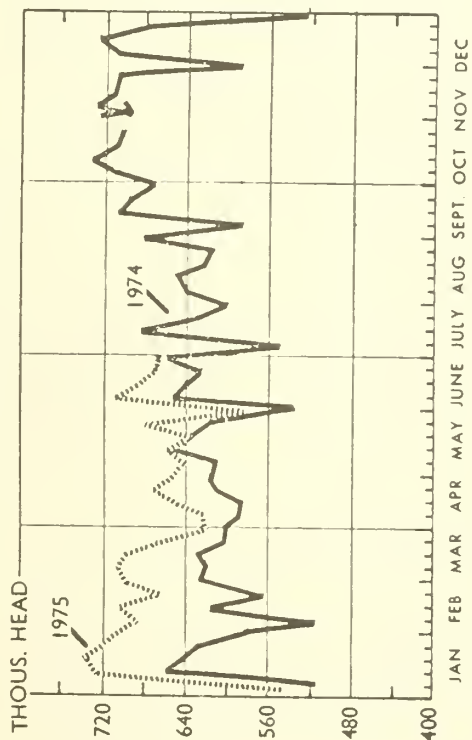


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SPRING LAMBS QUOTED MARCH TO OCTOBER, WOOLED LAMBS OCTOBER TO MARCH.
X NO SALES CONTINUED

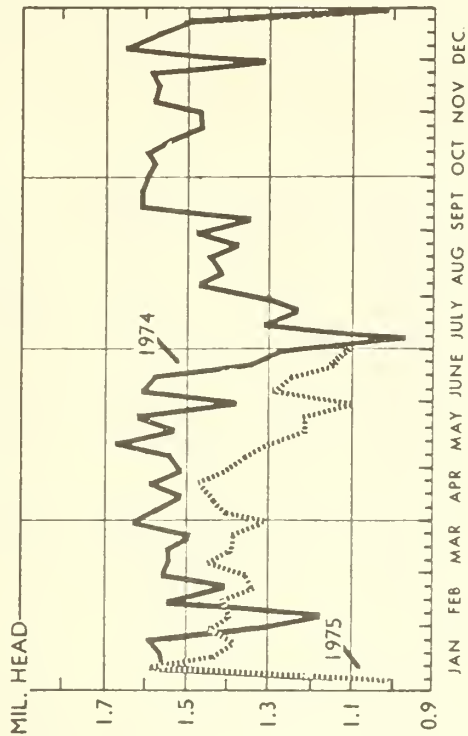
F.I. CATTLE SLAUGHTER



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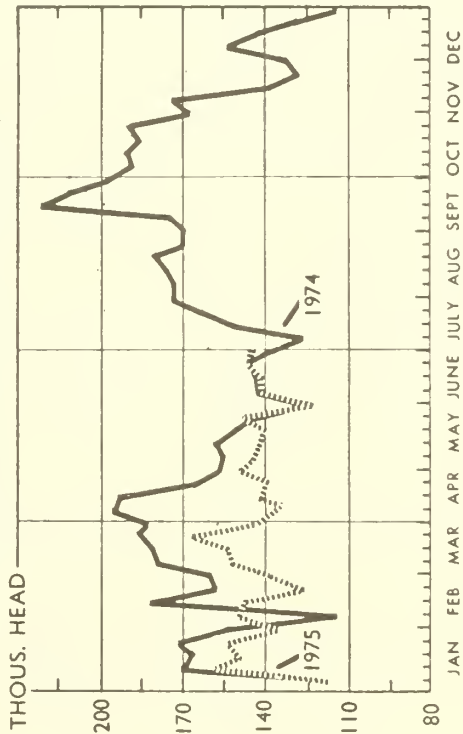
F.I. HOG SLAUGHTER



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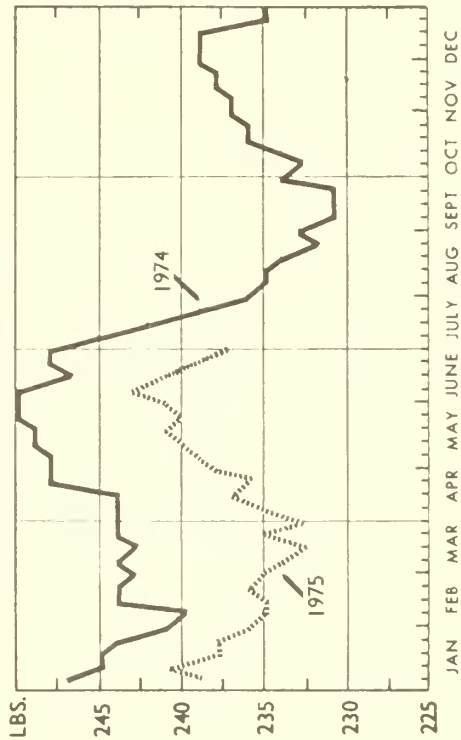
F.I. SHEEP & LAMB SLAUGHTER



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LIVESTOCK DIVISION - AMS

LIVE WEIGHT BARROWS & GILTS*



U.S. DEPARTMENT OF AGRICULTURE

*SEVEN MARKETS COMBINED

LIVESTOCK DIVISION - AMS

Selected price statistics for meat animals and meat

Item	1974			1975					
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
<i>Dollars per 100 pounds</i>									
CATTLE AND CALVES									
Beef steers, slaughter, Omaha ^{5/}									
Prime	40.81	38.98	37.76	37.02	35.86	37.34	44.56	51.45	
Choice	39.75	38.04	37.05	36.27	34.80	36.08	43.01	49.60	
Good	37.83	36.16	35.36	34.30	32.77	33.92	40.84	46.28	
Standard	33.97	33.05	31.85	29.52	28.37	30.15	34.70	37.51	
Utility	32.54	---	---	---	---	---	---	---	
All grades	39.21	37.54	36.46	35.59	34.12	35.36	42.24	48.72	
Choice 900-1100 pounds, California ..	39.95	38.75	38.75	39.65	37.19	38.81	45.95	50.94	53.94
Choice 900-1100 pounds, Colorado ..	40.11	38.19	37.66	36.65	34.52	36.21	43.95	51.35	53.86
Cows, Omaha									
Commercial	19.68	17.70	17.81	16.86	18.19	19.54	21.87	23.59	23.55
Utility	19.68	17.62	17.67	16.82	18.18	19.45	21.67	23.55	23.32
Cutter	17.65	15.72	15.91	15.00	16.02	17.25	18.98	19.64	19.94
Canner	16.18	13.69	13.81	12.96	13.58	14.99	16.51	16.43	16.91
Vealers, Choice, S. St. Paul	40.12	36.48	34.46	36.88	40.25	38.90	46.84	40.56	39.15
Stocker and feeder steers,									
Kansas City ¹	29.80	27.97	28.05	26.79	26.82	27.86	30.73	34.87	35.33
Price received by farmers									
Beef cattle	30.50	28.30	27.60	27.60	26.90	27.80	31.80	36.50	38.50
Cows	19.00	17.30	17.00	16.50	18.10	18.70	20.10	22.20	21.90
Steers and heifers	33.20	31.70	31.00	31.00	29.60	30.50	34.90	40.10	42.60
Calves	27.50	25.60	24.80	23.90	24.30	24.70	26.80	29.50	29.70
Beef steer-corn price ratio ²	10.8	10.9	10.8	11.6	12.3	12.9	14.8	17.3	18.1
HOGS									
Barrows and gilts, U.S.									
No. 1 and 2, Omaha									
180-200 pounds	---	---	---	---	---	---	---	---	---
200-220 pounds	39.42	38.90	41.28	39.68	40.20	40.17	41.54	47.56	52.19
220-240 pounds	39.46	38.92	41.30	39.79	39.89	40.20	41.57	47.51	52.26
Barrows and gilts, 7 markets ³	38.86	38.34	39.93	38.93	39.61	39.52	40.69	46.44	51.08
Sows, 7 markets ³	33.39	33.57	33.78	35.01	36.52	36.58	37.00	41.12	43.89
Price received by farmers	37.10	36.70	38.30	38.20	38.40	38.30	39.30	45.10	47.30
Hog-corn price ratio ⁴									
Omaha, barrows and gilts	10.6	11.0	11.8	12.6	14.1	14.3	14.1	16.4	17.7
Price received by farmers, all hogs ..	10.8	11.1	11.7	12.4	13.4	14.3	14.7	17.0	17.6
SHEEP AND LAMBS									
Sheep									
Slaughter ewes, Good, San Angelo ..	10.40	6.89	13.33	14.12	15.56	17.20	18.40	15.44	15.38
Price received by farmers	8.20	8.10	8.70	9.60	9.90	10.10	11.40	11.70	11.40
Lamb									
Slaughter, Choice, San Angelo	35.25	37.58	39.25	38.25	39.31	46.50	46.65	47.62	46.06
Feeder, Choice, San Angelo	31.75	36.25	36.42	34.12	35.31	37.38	43.65	43.00	39.69
Price received by farmers	33.10	34.90	36.10	36.90	38.10	39.90	42.70	45.40	45.10
ALL MEAT ANIMALS									
Index number price received by farmers (1967=100)	151	145	145	145	144	146	159	182	190
<i>Dollars per 100 pounds</i>									
MEAT									
Wholesale, Chicago, Carlot									
Steer beef carcass, Choice,									
600-700 pounds	64.98	62.23	60.38	61.36	58.41	59.50	70.20	80.60	85.76
Heifer beef, Choice,									
500-600 pounds	63.61	60.78	59.47	60.63	57.63	58.48	68.66	78.92	85.03
Cow beef, Canner and Cutter	41.70	37.96	38.94	36.94	39.62	41.84	44.07	46.44	46.64
Lamb carcass, Choice and									
Prime, 45-55 pounds	80.38	---	---	---	---	---	---	---	---
Fresh pork loins, 8-14 pounds	76.52	72.09	72.48	79.25	76.53	74.79	78.63	92.49	102.04
<i>Cents per pound</i>									
Retail, United States average									
Beef, Choice grade	136.8	134.4	132.2	132.8	129.0	127.0	133.9	147.8	
Pork, retail cuts and sausage	109.0	111.4	112.7	114.9	114.8	113.6	115.7	123.0	
Lamb, Choice grade	140.2	139.4	141.8	156.0	157.2	154.7	158.6	164.7	
Index number all meats (BLS)									
Wholesale (1967=100)	160.2	155.4	156.0	161.9	159.0	159.0	171.6	189.8	
Retail (1967=100)	163.5	163.0	161.7	161.9	160.9	159.7	160.2	167.9	
Beef and veal	166.8	163.7	160.1	158.5	156.6	153.3	154.6	166.4	
Pork	164.0	166.8	167.1	170.0	169.6	170.5	170.0	175.6	

¹ Average all weights and grades. ² Bushels of No. 2 Yellow Corn equivalent in value to 100 pounds of slaughter steers sold out of first hands. Omaha, all grades. ³ St. Louis N.S.Y., Kansas

City, Omaha, Sioux City, S. St. Joseph, S. St. Paul, and Indianapolis. ⁴ Number bushels of corn equivalent in value to 100 pounds of live hogs. ^{5/} Series discontinued.

Selected marketings, slaughter and stock statistics for meat animals and meat

Item	Unit	1974				1975					
		Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	
Federally inspected											
Slaughter											
Cattle	1,000 head	2,787	3,230	2,929	2,902	3,152	2,778	2,826	2,889	2,851	
Steers	1,000 head	1,442	1,590	1,403	1,403	1,535	1,412	1,452	1,428	1,364	
Heifers	1,000 head	686	803	703	694	765	701	700	707	684	
Cows	1,000 head	588	759	756	742	786	606	611	683	719	
Bulls and stags	1,000 head	71	78	67	63	66	59	63	71	84	
Calves	1,000 head	212	279	251	254	284	250	276	284	270	
Sheep and lambs	1,000 head	842	851	612	595	662	570	648	627	615	
Hogs	1,000 head	6,523	7,023	6,402	6,243	6,350	5,540	5,751	6,361	5,376	
Percentage sows	Percent	9	8	8	7	5	4	4	4	5	
Average live weight per head											
Cattle	Pounds	1,026	1,016	1,026	1,040	1,036	1,036	1,038	1,022	1,017	
Calves	Pounds	229	227	211	204	216	216	222	216	227	
Sheep and lambs	Pounds	102	104	104	106	106	107	106	105	101	
Hogs	Pounds	243	243	245	246	242	236	236	238	240	
Average dressed weight per head											
Beef	Pounds	611	607	607	604	609	608	613	600	596	
Veal	Pounds	133	128	121	116	123	121	126	122	127	
Lamb and mutton	Pounds	50	51	51	53	52	53	52	52	50	
Pork	Pounds	165	165	166	187	187	184	183	185	185	
Lard	Pounds	16	18	17	16	16	15	16	14	15	
Production											
Beef	Mil. lb.	1,697	1,956	1,773	1,747	1,914	1,684	1,728	1,727	1,694	
Veal	Mil. lb.	28	35	30	29	35	30	34	34	34	
Lamb and mutton	Mil. lb.	42	43	31	31	34	30	34	32	30	
Pork	Mil. lb.	1,073	1,154	1,062	1,023	1,049	900	922	1,043	876	
Lard	Mil. lb.	107	123	108	99	98	84	91	92	83	
Commercial:											
Slaughter ¹											
Cattle	1,000 head	3,085	3,601	3,268	3,234	3,506	3,082	3,132	3,206	3,149	
Calves	1,000 head	286	375	330	342	375	330	361	384	371	
Sheep and lambs	1,000 head	869	879	634	617	682	586	675	652	636	
Hogs	1,000 head	6,877	7,430	6,787	6,672	6,759	5,892	6,105	6,731	5,693	
Production											
Beef	Mil. lb.	1,855	2,149	1,947	1,917	2,100	1,843	1,890	1,894	1,849	
Veal	Mil. lb.	47	59	50	51	59	50	56	60	59	
Lamb and mutton	Mil. lb.	43	44	32	32	35	31	35	34	31	
Pork	Mil. lb.	1,127	1,217	1,123	1,091	1,113	954	976	1,100	925	
Lard	Mil. lb.	111	128	112	104	103	87	94	96	86	
Cold storage stocks first of month											
Beef	Mil. lb.	376	347	359	359	402	414	392	383	348	
Veal	Mil. lb.	13	12	12	13	14	15	14	13	11	
Lamb and mutton	Mil. lb.	15	14	15	14	14	12	11	9	10	
Pork	Mil. lb.	254	249	269	302	306	295	301	299	343	
Total meat and meat products ²	Mil. lb.	723	693	723	753	803	815	798	783	794	
Imports (carcass weight)											
Beef and veal	Mil. lb.	135	108	134	149	192	139	151	124	110	
Pork	Mil. lb.	36	39	40	43	44	33	40	29	34	
Lamb and mutton	Mil. lb.	1	1	1	1	1	2	2	3	1	
Exports (carcass weight)											
Beef and veal	Mil. lb.	3.34	4.04	4.12	4.27	4.09	4.24	4.02	4.33	3.34	
Pork	Mil. lb.	15.63	16.03	10.22	8.02	8.61	10.64	24.88	10.68	13.42	
Lamb and mutton	Mil. lb.	.27	.46	.48	.31	.39	.26	.39	.37	.40	
Live animal imports											
Cattle	Number	15,317	8,698	6,683	16,136	7,570	7,272	6,421	8,697	18,997	
Hogs	Number	9,646	8,692	11,914	1,612	2,417	2,586	2,170	2,268	2,433	
Sheep and lambs	Number	136	136	19	345	2	14	2	54	39	
Live animal exports											
Cattle	Number	16,435	31,993	22,745	28,985	25,877	15,046	14,405	15,597	15,260	
Hogs	Number	1,103	1,912	2,212	1,105	246	4,105	472	764	1,532	
Sheep and lambs	Number	16,907	27,176	24,515	36,612	29,254	27,975	32,502	24,175	28,275	

¹ Federally inspected and other commercial. ² Includes stocks of canned meats in cooler in addition to the meats listed.

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